GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:3552
ANSWERED ON:07.09.2007
MECHANISM AGAINST TERROR FINANCING
Gaikwad Shri Eknath Mahadeo

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has set up a mechanism to check flow of funds for terror financing by electronic transfer through various intermediaries by Non-Resident Indian`s (NRI) in the Gulf countries and America;

(b) if so, the detail s thereof;

(c) whether the Government has taken this move under pressure from international community;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) & (b) : Government has set up a Financial Intelligence Unitâ€"India (FIU-India) under Ministry of Finance as monitoring agency under Prevention of Money Laundering Act 2002. In terms of Rules rotified under the said Act, banks, financial institutions and non-financial institutions report specified cash transactions and suspicious cash transactions to FIU-India. RBI has also issued guidelines, on 13.04.2007, regarding combating of Financing of Terrorism through Electronic]?und Transfer & Wire Transfers. The guidelines are available at RBI`s website www.rbi.orf;. in.

(c): No Sir.

(d) & (e) : Do not arise.